
PRIVATE SECTOR FUNDING

Responsible Cabinet Member(s) -Councillor Bill Dixon, Housing Portfolio

Responsible Director(s) - Cliff Brown, Director of Community Services

Purpose of Report

1. The purpose of this report is to recommend that resources previously identified as part of the bid for Single Housing Investment Pot (SHIP) funding, should be reallocated as additional funding towards Disabled Facilities Grants (DFG's) and Renovation Grants.

Information and Analysis

Ship Funding

2. Members considered a report on 30 March 2004 in respect of the Housing Investment Programme 2004/05 and agreed an allocation of £1.341m for Private Sector housing. This included £414,000 match funding towards a bid for Single Housing Investment Pot (SHIP) funding of £1.3m in respect of a specific private sector renewal project. The bid was part of a joint bid with the other Tees Valley local authorities for the acquisition of properties in deprived wards.
3. Subsequent feedback from the Government Office for the North East (GONE) indicated concerns at the relatively high unit cost of acquiring properties in Darlington and sought further support from the other four Tees Valley authorities that our scheme remained one of their high priorities. Unfortunately, three of the other authorities felt unable to support the Darlington scheme, choosing instead to redistribute the £1.3m to extend their own schemes.
4. This has significant implications for the Council particularly as the North East Housing Board propose from 2006/2007 to distribute 100% of the resources previously available to local authorities through a similar competitive bidding process for a range of identified priorities. Clearly such a process offers the Council no guarantee of future funding and it will have major implications for the way we are able to meet identified priorities in the future. Your officers are seeking meetings with GONE to clarify the situation.

Improvement Grant Funding

5. The unsuccessful outcome of the SHIP bid, means the match funding of £414,000 now needs to be reallocated. It is recommended that these are retained as funding towards the Private Housing Sector, and added to the existing Disabled Facilities Grants (DFG) and Renovation Grant resources.

6. DFG's are grants to facilitate adaptations to the homes of owner occupiers and private tenants with a disabled family member. Works can include ramps, improved access, stairlifts, improved internal living arrangements and occasionally extensions. Assistance is only given following recommendations by an Occupational Therapist within the Social Services Department. The Council receives a 60% contribution to DFG expenditure set by the ODPM as £162,000 for 2004/05, bringing the total resources for DFG expenditure for 2004/05 to £270,000.
7. Two types of Renovation Grant are available. Large Scale Works Funding is available for pre-1945 properties in the areas of the Borough that have the highest number of unfit dwellings, and is targeted primarily at making properties fit for human habitation or bringing long term empty homes back into use. Small Scale Works Funding is available for smaller repairs such as alleviating disrepair, improving heating, security, or to enable older or disabled person to remain at home. All Grants are subject to appropriate means tests.
8. In common with other Local Authorities, demand for both forms of grant far exceeds the resources available. Indeed the Government is encouraging authorities to look at more innovative solutions, for example, equity release schemes and top up loans, to assist people to improve or adapt their home, and make better use of resources. A review of the grants policy is currently underway however it is unlikely that significant changes will be introduced in the short term. In the meantime, the resources allocated to DFG's and Renovation Grants are already under pressure.
9. The 2004/05 allocation for each type of grant, together with current spend and value of work out to tender, is set out below in Table 1:-

Table 1: Grant resources and expenditure 2004/05

	DFG's	Renovation Grants
	£000's	£000's
HIP resources	270	607
Expenditure as at 30 April 2004:-		
Work completed / approved / in progress	127	121
Work out to tender and to be approved (estimated)	214	118
Total	341	239

10. It is clear that, in respect of the DFG budget, work already in progress together with the estimated value of work out to tender, already exceeds the resources available. In addition, some 28 recommendations have been received from the Occupational Therapy team with an estimated grant requirement of £119,000 and more will follow throughout the year. For Renovation Grants, nearly 40% of the budget has already been accounted for in completed or approved work, or in work out to tender. At the same time, Renovation Grants play an important part in meeting BVPI targets in relation to unfit and empty properties. These targets have become more critical since PSA funding has been received for the 3 year period 2003/04 to 2005/06. This funding has enabled an additional Housing Renewal Officer to be employed to stretch performance up to the PSA target. These targets are currently being met, in large part through better targeting of grants. Based upon the amount of Renovation Grant paid last year, it is estimated that approximately £800,000 will be required for Renovation Grants in 2004/05 in order to maintain this performance compared to £607,000 currently available. At the time of the SHIP bid the original Renovation Grant level was seen as adequate because the outcome of the SHIP would have been to reduce the number of unfit and empty properties within project area, and thus contribute to the PSA target. As this scheme is no longer proceeding a further £200,000 is needed to meet our PSA targets.

Outcome of Consultation

11. Consultation on the current arrangements and priorities for DFG's and Renovation Grants was undertaken as part of the consultation on the Private Sector Renewal Strategy which included discussions with private landlords and press articles inviting comments. Both Three Rivers Housing Group who manage the Darlington Care and Repair Service and Social Services have been consulted on the specific redistribution of the now unallocated £414,000.

Legal Implications

12. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

13. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

14. The issues contained within this report do not represent change to Council policy or the Council's policy framework

Decision Deadline

15. For the purpose of the 'call-in' procedure this does not represent an urgent matter

Key Decisions

16. This is not a key decision because it only represents an amendment to the previously approved Housing Investment Programme for 2004/05.

Recommendation

17. The match funding of £414,000 towards the overall SHIP bid is no longer required, but demand on both the DFG's and Renovation Grant budgets are high. It is therefore recommended that the DFG budget is increased from £270,000 to £484,000 and the Renovation Grants budget from £607,000 to £807,000.

Reasons

18. The recommendations are supported by the following reasons :-

- (a) To maximise the resources available as part of the Housing Investment Programme.
- (b) To assist in meeting the high demand for DFG's and Renovation Grants.

Cliff Brown
Director of Community Services

Background Papers

No Background papers were used in the preparation of this report.

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